

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 IO-14 PM-05 NSC-05 SP-02 SS-15

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FM AMEMBASSY KUALA LUMPUR

TO USINFO WASHDC PRIORITY

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMCONSUL HONG KONG

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

SECSTATE WASHDC 8539

US MISSION USUN 1013

UNCLAS KUALA LUMPUR 5374

USIAC

E.O. 11652: N/A

TAGS:

SUBJECT: ASEAN SUMMIT: HIGHLIGHTS OF KUALA LUMPUR SUMMIT

1. FOLLOWING ARE EXCERPTS OF A SPECIAL STORY IN THE BUSINESS TIMES, MALAYSIA'S ONLY BUSINESS DAILY, SUMMARIZING THE HIGHLIGHTS OF THE RECENT MEETING OF THE ASEAN HEADS OF GOVERNMENTS:

2. "IF THE PEOPLE OF THE FIVE ASEAN COUNTRIES EXPECTED THEIR LEADERS TO EMERGE FROM THE RECENT 'BUSINESS' SUMMIT MEETING OF HEADS OF GOVERNMENT IN KUALA LUMPUR WITH BRIEFCASES BULGING WITH SOLID AGREEMENTS IN VARIOUS FIELDS OF ECONOMIC COOPERATION, THEY ARE LIKELY TO HAVE BEEN DISAPPOINTED.

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3. "FOR ALTHOUGH ECONOMIC DISCUSSIONS DOMINATED THE SUMMIT MEETING, THE ONLY TANGIBLE AGREEMENT THAT THE ASEAN LEADERS COULD SHOW FOR THEIR EFFORTS WAS THE CREDIT SWAP AGREEMENT BETWEEN THEIR CENTRAL BANKS TO HELP EACH OTHER OVERCOME ANY INTERNATIONAL LIQUIDITY PROBLEM THAT MIGHT ARISE....

4. "IT WOULD HOWEVER BE PUERILE TO DISMISS THE ACHIEVEMENTS OF THE SUMMIT AND POST-SUMMIT DIALOGUES IN SUCH SIMPLISTIC TERMS. ACHIEVEMENTS THERE WERE MANY IF ONE WERE TO REALLY LOOK FOR THEM--JUST AS THERE WERE SOME SETBACKS.

5. "ONE OF THE MOST SIGNIFICANT ACHIEVEMENTS IS THAT DESPITE DIVERGENT NATIONAL INTERESTS, THE FIVE ASEAN COUNTRIES--MALAYSIA, INDONESIA, THE PHILIPPINES, THAILAND AND SINGAPORE--WERE ABLE TO DEMONSTRATE TO THE WORLD THEIR SINCERITY AND COMMITMENT TO ECONOMIC COOPERATION.

6. "IN THE PROCESS, THEY HAVE REFUTED IN NO UNCERTAIN MANNER THE CHARGES MADE BY INDOCHINESE STATES AND SOME OF THE EAST EUROPEAN COUNTRIES THAT ASEAN IS AN AMERICAN-BACKED ORGANIZATION WITH A MILITARY POTENTIAL TO CONTAIN THE COMMUNIST STATES.

7. "AT THE CLOSE OF THE SUMMIT, THE LEADERS VOICED SATISFACTION AT THE PROGRESS ACHIEVED IN THE FIELD OF ECONOMIC COOPERATION....

8. "IF THERE WAS ANY EXPRESSION OF DISAPPOINTMENT, IT CAME FROM SINGAPORE'S PRIME MINISTER, MR. LEE KUAN YEW. YET HIS LOW-KEYED CRITICISMS REFLECTED NOT SO MUCH ON THE WEAKNESSES OF ASEAN BUT RATHER, THE GREAT POTENTIAL HE SEES IN THE ORGANIZATION....

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9. "HE WENT ON TO ASSERT THAT 'THE FUTURE OF ASEAN DEPENDS ON WHAT WE CHOOSE TO MAKE OF IT. THIS IS NOT RHETORIC, IT IS SIMPLE TRUTH.'

10. "...THE WORLDWIDE PUBLICITY GIVEN TO JAPAN'S OVER OF US\$1 BILLION IN LOANS TO FINANCE THE FIVE ASEAN PROJECTS MAY HAVE GIVEN THEM AN UNDUE IMPORTANCE SO MUCH SO THAT THE SUCCESS OF ASEAN'S EFFORTS IN ECONOMIC COOPERATION ARE LIKELY TO BE JUDGED BY THE SUCCESS OF GETTING THE PROJECTS OFF THE GROUND. THIS WAS OF COURSE NOT THE MAIN OBJECTIVE OF THE SUMMIT.

11. "WHILE INDUSTRIAL DEVELOPMENT IS A CHERISHED OBJECTIVE, THE FORMULATION OF COMMON POLICIES ON COMMODITIES IS PERHAPS EVEN MORE IMPORTANT.

12. "WITH THE EXCEPTION OF SINGAPORE, THE ASEAN STATES ARE IMPORTANT PRODUCERS OF PRIMARY COMMODITIES LIKE RUBBER, RICE, TIMBER, PALM OIL, COPRA, MAIZE, SUGAR, TIN AND OIL. THE EMPHASIS OF COMMODITIES IS PREPARATORY DISCUSSIONS BY THE ECONOMIC MINISTERS AND LATER BY THE HEADS OF GOVERNMENT WAS

A VITAL ASPECT OF THE SUMMIT. IT MIRRORED THE CRUCIAL INTEREST OF THE MEMBER COUNTRIES IN THIS MATTER BECAUSE THEIR EXPORT EARNINGS ARE SUBJECT TO THE VAGARIES OF WORLD PRICE FLUCTUATIONS....

13. "THE POST-SUMMIT DIALOGUES WILL ALSO BE REMEMBERED FOR THE FAILURE OF ASEAN TO PERSUADE AUSTRALIA AND JAPAN TO LIBERALIZE THEIR TRADE BY REMOVING TARIFF AND NON-TARIFF BARRIERS. NEW ZEALAND HAS INDEED PROMISED TO TAKE POSITIVE MEASURES TO HELP ASEAN EXPORTERS GDE A BIGGER SHARE OF ITS MARKET....

14. "ONE FOREIGN CORRESPONDENT REMARKED THAT FROM THE TIME MR. FUKUDA ARRIVED TO THE TIME THE DIALOGUE ENDED, 'US\$1 UNCLASSIFIED

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BILLION HAD DISAPPERED INSPITE OF TIGHT SECURITY MEASURES, NOT INTO THE POCKETS OF THE ASEAN STATES BUT BACK TO THE STATISTICAL MAZE OF THE JAPANESE.'

15. "THIS IS PERHAPS UNFAIR. AS MR. FUKUDA CLARIFIED IN HIS PRESS CONFERENCE, THE AVAILABILITY OF THE LOAN WAS NOT A QUESTION OF 'IF' BUT 'WHEN'." ITEM.  
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